TD/B/1323 (Vol. II)

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

TRADE AND DEVELOPMENT BOARD

Thirty-eighth session
Second part
(21 April - 7 May 1992)

OFFICIAL RECORDS
Supplement No. 1A (Part II)

Report

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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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For the recommendations, resolutions, declarations and decisions adopted by the United Nations Conference on Trade and Development, see:

First session: *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report* (United Nations publication, Sales No. 64.II.B.11), pp. 18-65;

Second session: *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No. E.68.II.D.14), annex I, A, pp. 28-58;

Third session: *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex I, A, pp. 53-114;

Fourth session: *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I and Corr.1, *Report and Annexes* (United Nations publication, Sales No. E.76.II.D.10), part one, sect. A, pp. 6-43;

Fifth session: *Proceedings of the United Nations Conference on Trade and Development, Fifth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.79.II.D.14), part one, sect. A, pp. 6-50;

Sixth session: *Proceedings of the United Nations Conference on Trade and Development, Sixth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.83.II.D.6), part one, sect. A, pp. 6-40;

Seventh session: *Proceedings of the United Nations Conference on Trade and Development, Seventh Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.88.II.D.1), part one, sect. A, pp. 6-27.

Eighth session: *Report of the United Nations Conference on Trade and Development on its eighth session* (pending the publication of the printed *Proceedings*, the report will be issued in mimeographed form under the symbol TD/364).

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Preface

The second part of the thirty-eighth session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 21 April to 7 May 1992.

Part I of this report contains the action taken by the Board in the course of the session. In particular, the guidelines for the Trade and Development Board in executive session and the terms of reference for the newly established Standing Committees and Ad Hoc Working Groups are to be found annexed to Board decision 398 (XXXVIII), entitled "Follow-up to the recommendations adopted by the Conference at its eighth session".

Part II summarizes the proceedings of the Board in plenary on the substantive item of the agenda (cf. chapters I and II). The procedural and organizational matters are dealt with in chapter III.

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PART I. ACTION BY THE TRADE AND DEVELOPMENT BOARD AT THE SECOND PART OF ITS THIRTY-EIGHTH SESSION*

Decision 398 (XXXVIII). Follow-up to the recommendations adopted by the Conference at its eighth session

The Trade and Development Board,

Acting in accordance with the provisions of A New Partnership for Development: The Cartagena Commitment adopted by the United Nations Conference on Trade and Development at its eighth session,

Decides to adopt the texts annexed to this decision.

805th (resumed) meeting
7 May 1992

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* All texts were adopted without a vote at the 805th plenary meeting, on 7 May 1992. For the statements made upon the adoption of decision 398 (XXXVIII), see part II, paras. 31-33.

ANNEX

A. - The Trade and Development Board in executive session

Pursuant to paragraph 67 of the Cartagena Commitment, the Trade and Development Board adopts the following guidelines for its meetings in executive session (hereafter referred to as "executive sessions of the Board").

1. The executive sessions of the Board will facilitate the strengthening of the policy function of the Board in adapting the organization's work to changing worldwide economic circumstances, reviewing work programmes and priorities, promoting greater efficiency and reacting to reports from its subsidiary bodies in order to give impetus to ongoing work.

2. The executive sessions will be convened at the level of Permanent Representatives at regular intervals, and at any time the President of the Board, in consultation with the Secretary-General of UNCTAD and with the member States, deems it necessary, in half-day or one day sessions. One of these sessions shall take place immediately before each part of the regular sessions of the Board. The agenda for each executive session of the Board will be agreed upon sufficiently in advance to ensure adequate preparation. Each executive session of the Board should be preceded by an appropriate consultative process.

3. The executive sessions of the Board may provide guidance to the subsidiary bodies of the Board and take action on the outcomes of the meetings of these bodies; take action on procedural and organizational matters; and provide timely preparation of the issues to be considered by the regular sessions of the Board.

B. - Terms of reference of the Standing Committees

TERMS OF REFERENCE

Standing Committee on Commodities

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, a Standing Committee on Commodities is established by the Trade and Development Board with the following terms of reference:

1. To promote sound, compatible and consistent policies, which, inter alia, take into account market trends, at national and international levels in the commodity field.

2. To undertake periodic and global reviews, studies and analyses of the situation of, and prospects for, commodities, and to compile statistical reports on commodity production, prices and trade.

3. To undertake analyses and identify approaches on commodity policies, bearing in mind both, as appropriate, Conference resolution 93 (IV) and the particular characteristics and situation of individual commodities, including the particular problems of the least developed countries. This work should help to achieve the following:

(a) improving the functioning of commodity markets by reducing the distortions affecting supply and demand;

(b) optimizing the contribution of the commodities sector to development by, inter alia, working towards greater cost-effectiveness and productivity, thereby enhancing competitiveness;

(c) reviewing and comparing national policies with the aim of enhancing the competitiveness of the commodity sector, taking into account market trends;

(d) achieving a gradual reduction in excessive dependence on the export of primary commodities through horizontal and vertical diversification of production and exports as well as crop substitution, within a macroeconomic framework that takes into consideration a country's economic structure, resource endowments and market opportunities;

(e) progressive removal of trade barriers, i.e. trade liberalization, for commodity products;

(f) improving market transparency;

(g) exploring the links between commodity policies, sound management of natural resources and achievement of sustainable development;

(h) exploring greater use and efficiency of various mechanisms for risk management, having in mind the objective of minimizing the risks arising from commodity market fluctuations, including market-linked price-hedging mechanisms such as commodity futures and options and related longer-term mechanisms such as commodity swaps, bonds and loans, obstacles to their potential use and modalities for overcoming them;

(i) analysing problems stemming from commodity-related shortfalls of developing countries and reviewing developments in the field of compensatory financing of export earnings shortfalls.

4. To facilitate and coordinate activities of bodies involved in the commodity field.

5. To follow and facilitate, as appropriate, intergovernmental consultations and action among interested countries on the problems of particular commodities or groups of commodities; to analyse the need for, and encourage when considered necessary, the achievement of viable and efficient international agreements or arrangements that take into account market trends, as well as study groups, both autonomous and within UNCTAD.

6. To assist the Board in assessing the question of a world conference on commodities as provided for in the decision "World Commodity Conference" adopted at the eighth session of the Conference.

7. To assist it in its work, the Committee may have, as subsidiary organs, the Intergovernmental Group of Experts on Tungsten and the Intergovernmental Group of Experts on Iron Ore.

8. To deal with other items within the field of commodities directed to it by the Board.

9. The work of the Committee should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Committee should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

10. In its work, the Committee should take due account of the diversity of country situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences. It could also, depending on the issue, seek the participation of, and draw on the experience and expertise of, non-governmental actors, particularly enterprises, trade unions, the academic community and non-governmental organizations as well as representatives of international institutions.

11. The Committee should identify for consideration areas in which technical cooperation should be strengthened.

12. The work of the Committee should be coordinated with that of other Committees and Working Groups.

13. The work of the Committee should complement that of other international bodies while seeking to ensure that no duplication occurs.

14. The Committee may recommend for the consideration of the Board the establishment of expert groups.

15. The Committee shall submit periodic reports to the Trade and Development Board on its work. In accordance with paragraph 68 of the Cartagena Commitment the Board will conduct a review and evaluation of the work programme of the Committee midway between Conferences.

16. The frequency of sessions of the Committee is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

TERMS OF REFERENCE

Standing Committee on Poverty Alleviation

Pursuant to General Assembly resolution 1995 (XIX), as amended; to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development; and to the consensus achieved at UNCTAD VIII, whereby: "States members of UNCTAD recognize that peace and prosperity are indivisible and that lasting peace and stability require effective international cooperation for the eradication of poverty",

Acting in the context of national and international efforts to combat poverty until it is eradicated,

A Standing Committee on Poverty Alleviation is established by the Trade and Development Board with the following terms of reference:

1. To contribute to national and international efforts to prevent, alleviate and reduce poverty, particularly where it is more acute, as well as to the formulation of related national and international policies, bearing in mind the diversity of country situations including the particular problems of the least developed countries and the most vulnerable population groups. The work of the Committee shall be essentially action oriented.

2. In order to achieve the above objectives, the Committee shall:

(a) Review existing information and analyses on the characteristics, causes, location, dimensions and dynamics of poverty, as well as on related indicators;

(b) Exchange and review national experiences in dealing with poverty; identify impediments to poverty alleviation with a view to promoting greater understanding of successful national policies; and identify policy options for the prevention and alleviation of poverty. In this context, the Committee, while taking into account the need for an integrated approach for efficient action towards poverty alleviation, shall focus, inter alia, on the following areas: human resource and community development; social infrastructure development; employment creation and increasing productivity of the poor; distribution of income and social benefits of development in rural and urban areas; social safety nets; and policies to promote the access of the poor to productive assets. In doing so, the Committee should bear in mind the impact of structural reform programmes on poverty alleviation and the need for increased participation of the poor and vulnerable groups in development;

(c) Exchange views on the impact of development assistance and cooperation programmes, including emergency assistance programmes, on the alleviation and reduction of poverty and develop approaches to promote effective programmes;

(d) Consider questions related to the financing and organization of social development programmes in developing countries, particularly in the areas of health, education, housing and sanitation;

(e) Examine the impact of trade expansion on poverty alleviation;

(f) Identify the linkages between the alleviation of poverty and the achievement of sustainable development;

(g) Examine the relationship between migrations and other demographic factors, and poverty alleviation.

3. In carrying out its functions, the Committee shall draw on the experience and expertise of other intergovernmental bodies, non-governmental organizations, experts from various fields and others for the purpose of discussion and clarification of issues on poverty alleviation.

4. The work of the Committee should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Committee should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

5. In its work, the Committee should take due account of the diversity of country situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences. It could also, depending on the issue, seek the participation of, and draw on the experience and expertise of, non-governmental actors, particularly enterprises, trade unions, the academic community and non-governmental organizations as well as representatives of international institutions.

6. The Committee should identify for consideration areas in which technical cooperation should be strengthened.

7. The work of the Committee should be coordinated with that of other Committees and Working Groups.

8. The work of the Committee should complement that of other international bodies while seeking to ensure that no duplication occurs.

9. The Committee may recommend for the consideration of the Board the establishment of expert groups.

10. The Committee shall submit periodic reports to the Trade and Development Board on its work. In accordance with paragraph 68 of the Cartagena Commitment the Board will conduct a review and evaluation of the work programme of the Committee midway between Conferences.

11. The frequency of sessions of the Committee is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

TERMS OF REFERENCE

Standing Committee on Economic Cooperation among Developing Countries

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, a Standing Committee on Economic Cooperation among Developing Countries is established by the Trade and Development Board with the following terms of reference:

1. To examine and review the experience of subregional, regional and interregional economic cooperation among developing countries aimed at analysing cases of integration and cooperation among developing countries with a view to recommending measures to strengthen and enlarge such cooperation, identifying new potentials for cooperation, including with other countries interested in such cooperation, and identifying new areas of complementarity for fostering economic cooperation among developing countries (ECDC).

2. To consider studies and proposals on economic cooperation and integration, on operational activities and policies in sectors such as trade, money, finance, investment, technology, environment, transport and communication, information, education and training. These activities should aim at strengthening cooperation, enhancing economic growth, increasing trade liberalization and transparency, promoting developing-country enterprises and facilitating the integration of developing countries into the world economy, in order to reduce impediments and disincentives that adversely affect the expansion of cooperation among developing countries and promote policies aimed at expansion of trade. The Committee in its work should take into account the special situation and particular difficulties of the least developed countries.

3. To identify the areas, including new ones, in which international organizations, and member States on a voluntary basis, through measures of support can facilitate specific economic cooperation programmes and projects and thereby complement the efforts of developing countries to strengthen South-South trade and economic relations.

4. To review studies and, if appropriate, make proposals on the establishment of, and support for, an interregional trade finance mechanism among developing countries.

5. Facilitate innovative ways of organizing ECDC cooperation on the basis of common interests of particular groups of countries in issues of specific interest to them.

6. The work of the Committee should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Committee should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States,

particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

7. In its work, the Committee should take due account of the diversity of courtry situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences. It could also, depending on the issue, seek the participation of, and draw on the experience and expertise of, non-governmental actors, particularly enterprises, trade unions, the academic community and non-governmental organizations as well as representatives of international institutions.

8. The Committee should identify for consideration areas in which technical cooperation should be strengthened.

9. The work of the Committee should be coordinated with that of other Committees and Working Groups.

10. The work of the Committee should complement that of other international bodies while seeking to ensure that no duplication occurs.

11. The Committee may recommend for the consideration of the Board the establishment of expert groups.

12. The Committee shall submit periodic reports to the Trade and Development Board on its work. In accordance with paragraph 68 of the Cartagena Commitment the Board will conduct a review and evaluation of the work programme of the Committee midway between Conferences.

13. The frequency of sessions of the Committee is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

TERMS OF REFERENCE

Standing Committee on Developing Services Sectors: Fostering Competitive Services Sectors in Developing Countries

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, a Standing Committee on Developing Services Sectors: Fostering Competitive Services Sectors in Developing Countries is established by the Trade and Development Board with the following terms of reference:

1. To analyse and assist, as appropriate, in the formulation of national policies aimed at strengthening the production, export and technological capacity of services sectors taking into account their level of development in different countries, with a view to contributing to development and, thus, increasing the participation of developing countries in world trade in services. The Committee should focus on:

(a) Review of the development of services sectors in developing countries and comparative analysis of policies, including identification of domestic weaknesses and capabilities, aimed at creating the conditions necessary for the development of competitive service sectors and export of services;

(b) Policies aimed at developing and strengthening the institutional, technological, and physical infrastructure relating to services;

(c) Policies aimed at human resources development, the development of knowledge-intensive services, and producer services related to primary and manufacturing sectors and telecommunications;

(d) Improving the capacity of individual countries, in particular developing countries, to benefit from information related to services production, trade and technology;

(e) Identifying sector-specific policy options, with a view to developing competitive services sectors;

(f) Analysing issues relating to access to information networks and distribution channels for services.

2. The Committee should also focus on:

(a) Examining difficulties particularly faced by developing countries in enhancing exports of services thereby increasing their participation in world trade in services;

(b) The impact of progressive liberalization in the development of competitive service sectors;

(c) Policies aimed at enhancing cooperation with other countries, at regional, subregional, and interregional level, including mutual trade liberalization, pooling capabilities to improve skills, distribution networks and infrastructure development;

(d) Promoting efficient marketing of export-competitive industries and domestic labour skills;

(e) Increasing knowledge of laws and regulations concerning the services sector with a view, inter alia to adapting them to the requirements of increasing globalization of services, promoting transparency and mutual knowledge of the pertinent regulations;

(f) Collecting and disseminating statistics on trade in services in areas where such collection or dissemination is not being undertaken by other international organizations, and defining ways to improve such collection and dissemination.

3. (i) With reference to paragraph 72 of the Cartagena Commitment, the main tasks of the Committee in the field of shipping, ports, and multimodal transport should be as outlined above, and particularly focus on:

(a) Review of shipping policies so as to identify elements leading to the development of competitive shipping sectors, in order to enhance the participation of developing countries in world shipping;

(b) Consideration of conditions facilitating intraregional and interregional cooperation;

(c) Exchange of information on infrastructure development, including port infrastructure;

(d) Identification of human resources development needs, including on-the-job training;

(e) Exchange and dissemination of information on developments in the shipping sector;

(f) The efficient conduct of multimodal transport processes, bearing in mind economic, commercial and legal aspects;

(g) Review of technological developments that affect maritime transport;

(h) Considering various aspects of port management operations, with a view to increasing efficiency.

(ii) The Committee should take into account the work of the Ad Hoc Working Group on Trade Efficiency on transport-related information systems.

4. To analyse prospects for developing and strengthening the insurance sector and enhancing the trade of developing countries in this sector.

5. The Committee, in implementing its functions, should pay due attention to the role of services in market-oriented development, including issues related to privatization and deregulation.

6. In implementing the above, the Committee shall take into account the work undertaken by the Intergovernmental Group of Experts on Restrictive Business Practices.

7. The Committee shall ensure that its work does not duplicate or overlap the activities of GATT.

8. The Committee will hold separate sessions on services in general, shipping and insurance respectively.

9. The work of the Committee should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Committee should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

10. In its work, the Committee should take due account of the diversity of country situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences. It could also, depending on the issue, seek the participation of, and draw on the experience and expertise of, non-governmental actors, particularly enterprises, trade unions, the academic community and non-governmental organizations as well as representatives of international institutions.

11. The Committee should identify for consideration areas in which technical cooperation should be strengthened.

12. The work of the Committee should be coordinated with that of other Committees and Working Groups.

13. The work of the Committee should complement that of other international bodies while seeking to ensure that no duplication occurs.

14. The Committee may recommend for the consideration of the Board the establishment of expert groups.

15. The Committee shall submit periodic reports to the Trade and Development Board on its work. In accordance with paragraph 68 of the Cartagena Commitment the Board will conduct a review and evaluation of the work programme of the Committee midway between conferences.

16. The frequency of sessions of the Committee is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

C. - Terms of reference of the Ad Hoc Working Groups

TERMS OF REFERENCE

Ad Hoc Working Group on Investment and Financial Flows; Non-debt-creating Finance for Development; New Mechanisms for Increasing Investment and Financial Flows*

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, an Ad Hoc Working Group on Investment and Financial Flows; Non-debt-creating Finance for Development; New Mechanisms for Increasing Investment and Financial Flows is established by the Trade and Development Board with the following terms of reference:

1. To examine issues, developments and policies in the fields of non-debt-creating finance for development and new mechanisms for increasing investment and financial flows for development.

2. To examine country experiences in attracting investment flows and non-debt-creating finance for development, in order to identify positive factors as well as major impediments to investment and financial flows. In that respect:

(a) To consider policies that would improve the climate for investment through fostering macroeconomic stability and structural reforms, adequate legal protection of investment, market liberalization, regulatory frameworks for foreign investment and direct incentives;

(b) To consider measures for attracting investment such as international investment protection arrangements, bilateral investment and double taxation treaties, as well as innovative incentives and promotional measures that could be adopted by developed countries and multilateral financial institutions;

(c) To review different approaches to promote investment-related financial flows including, inter alia, debt swap programmes, foreign portfolio investment and export processing zones;

(d) To identify policies and measures which could contribute to the return of flight capital;

(e) To examine the role and possible improvement of ODA in promoting/supporting domestic investment efforts.

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* In adopting the terms of reference for this Ad Hoc Working Group, the Board also adopted the understanding that the discussion on "further evolution of the international debt strategy" will be taken up by the Trade and Development Board in accordance with the Cartagena Commitment.

3. To explore new mechanisms aimed at increasing investment and financial flows involving equity and non-equity-based finance and other market-based instruments.

4. The work of the Working Group should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Working Group should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

5. In its work, the Working Group should take due account of the diversity of country situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences. It could also, depending on the issue, seek the participation of, and draw on the experience and expertise of, non-governmental actors, particularly enterprises, trade unions, the academic community and non-governmental organizations as well as representatives of international institutions.

6. The Working Group should identify for consideration areas in which technical cooperation should be strengthened.

7. The work of the Working Group should complement that of other international bodies, particularly the Group of 24, the Development Committee and the Development Assistance Committee of the Organisation for Economic Cooperation and Development, while seeking to ensure that no duplication occurs.

8. The work of the Working Group should be coordinated with that of other Committees and Working Groups.

9. The Working Group may recommend for the consideration of the Board the establishment of expert groups.

10. The Working Group shall complete its work within two years of the adoption of its terms of reference. It may submit interim reports and shall submit a final report on the results of its work to the Trade and Development Board.

11. The frequency of sessions of the Working Group is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

TERMS OF REFERENCE

Ad Hoc Working Group on Trade Efficiency

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, an Ad Hoc Working Group on Trade Efficiency is established by the Trade and Development Board with the following terms of reference:

1. To examine how modern organization and technology can be used to foster greater participation in international trade, in particular by small and medium-sized enterprises, giving particular attention to countries and regions less advanced in the area of trade efficiency. In this context, it shall:

(a) Identify possiblilities to reduce transactional costs in international trade, particularly through trade facilitation and simplification of trade procedures, thus contributing to the fluidity of international trade flows and developing new trade links between potential and actual trading partners in all regions of the world;

(b) Taking into consideration differences in national conditions, practices and legal aspects, develop domestic guidelines or models for trade efficiency including, inter alia, simplifying, rationalizing and grouping formalities, transactions and information sources, consistent with a country's commitments under relevant agreements of GATT, and other relevant international agreements. In this context, as appropriate, promote the development and establishment of Trade Points;

(c) Promote greater understanding and use of Electronic Data Interchange (EDI), including the standards established through UNECE WP4. The Working Group will consider instruments and guidelines for the use of EDI;

(d) Evaluate the impact of EDI-related developments and relevant technical and technological innovations on the trade efficiency of firms, and the potential participation of new players in the international trade.

2. To contribute to the utilization of market opportunities by fostering transparency in trade-related information flows, including by increasing international awareness of opportunities to access publicly available market information.

3. To identify areas in which technical cooperation could be necessary in trade efficiency-related areas, with special regard to trade facilitation activities and the establishment of Trade Points, and possibilities to create new trade links thereby; in this context, adequate attention should be devoted to infrastructural and human resources development, and the organization of dissemination of necessary data.

4. The Working Group shall prepare the 1994 international symposium on trade efficiency, as called for in paragraphs 157 and 158 of the Cartagena Commitment. For use at that time, the Working Group shall undertake research, prepare publications, explanatory or educational materials, including those that emphasize legal or other focuses.

5. The work of the Working Group should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Working Group should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

6. In its work, the Working Group should take due account of the diversity of country situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences. It could also, depending on the issue, seek the participation of, and draw on the experience and expertise of, non-governmental actors, particularly enterprises, trade unions, the academic community and non-governmental organizations as well as representatives of international institutions.

7. The Working Group should identify for consideration areas in which technical cooperation should be strengthened.

8. The work of the Working Group should be coordinated with that of other Committees and Working Groups.

9. The work of the Working Group should complement that of other international bodies while seeking to ensure that no duplication occurs, notably regarding the work of the International Trade Centre UNCTAD/GATT and of the United Nations Economic Commission for Europe Working Party 4 (UNECE WP4).

10. The Working Group may recommend for the consideration of the Board the establishment of expert groups.

11. The Working Group shall complete its work within two years of the adoption of its terms of reference. It may submit interim reports and shall submit a final report on the results of its work to the Trade and Development Board.

12. The frequency of sessions of the Working Group is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

TERMS OF REFERENCE

Ad Hoc Working Group on Comparative Experiences with Privatization

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, an Ad Hoc Working Group on Comparative Experiences with Privatization is established by the Trade and Development Board with the following terms of reference:

1. To review the experiences of countries with privatization.

2. To consider medium- and long-term objectives of privatization processes taking into account relevant factors, including the diversity of country situations, in order to promote greater efficiency in economic activities, more effective allocation of resources and the dynamism and competitiveness through restructuring of enterprises and/or economic sectors; employment creation; social benefit distribution and economic development in general.

3. To consider factors pertinent to the design and implementation of privatization programmes, such as, inter alia, overall development of the private sector; the role of the State, in particular in determining the legal and regulatory framework for privatization, and the scale and pace of the process; criteria for selecting enterprises to be privatized; the relationship between privatization and domestic financial markets; foreign investment; infrastructure; administrative capacity; patterns of ownership and control; corporate performance and competition; employee motivation; public awareness and support; mechanisms for employment creation and, in general, relationships with social development programmes.

4. To elaborate, as possible guidelines for policy-makers, basic elements for consideration in formulating privatization programmes and plans.

5. To serve as a forum for the presentation of national programmes and plans for privatization as well as for the exchange and dissemination of relevent information. In that connection the Ad Hoc Working Group should seek from interested countries the presentation of information on their national experiences and draw on the experience and expertise of non-governmental actors, particularly enterprises, trade unions and the academic community.

6. The work of the Working Group should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Working Group should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

7. In its work, the Working Group should take due account of the diversity of country situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences. It could also, depending on the issue, seek the participation of, and draw on the experience and expertise of, non-governmental actors, particularly enterprises, trade unions, the academic community and non-governmental organizations as well as representatives of international institutions.

8. The Working Group should identify for consideration areas in which technical cooperation should be strengthened.

9. The work of the Working Group should be coordinated with that of other Committees and Working Groups.

10. The work of the Working Group should complement that of other international bodies while seeking to ensure that no duplication occurs.

11. The Working Group may recommend for the consideration of the Board the establishment of expert groups.

12. The Working Group shall complete its work within two years of the adoption of its terms of reference. It may submit interim reports and shall submit a final report on the results of its work to the Trade and Development Board.

13. The frequency of sessions of the Working Group is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

TERMS OF REFERENCE

Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, an Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries is established by the Trade and Development Board with the following terms of reference:

1. To analyse prospects for, and examine ways of, expanding the trade opportunities of developing countries for the diversification and growth of their export supply capability and for the enlargement and improvement of their export market opportunities. In that context to:

(a) Consider various national experiences in order to identify national measures, incentives and policies for enhancing the competitiveness of sectors and industries with an export potential;

(b) Examine ways to increase export-oriented investment in developing countries by domestic and foreign firms;

(c) Research and compare national experiences of the impact of import liberalization on general economic development and exports;

(d) Identify trade expansion opportunities for developing countries arising from liberalization of trade measures hindering the access of developing countries' exports to markets;

(e) Consider the role of trade promotion and marketing as well as the possible impact of improving trade-related information technology and flows on the trade of developing countries.

2. In carrying out the work as foreseen in paragraph 1 above, the Working Group will analyse and identify product and export market opportunities which are a consequence of developments such as: structural adjustment policies in various countries; trade measures, including liberalization measures such as those adopted to implement the results of the Uruguay Round; and measures and arrangements to promote regional integration. The Working Group will include the results of this analysis of such product and export market opportunities in its report to the Trade and Development Board.

3. The work of the Working Group should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Working Group should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable

them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

4. In its work, the Working Group should take due account of the diversity of country situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences. It could also, depending on the issue, seek the participation of, and draw on the experience and expertise of, non-governmental actors, particularly enterprises, trade unions, the academic community and non-governmental organizations as well as representatives of international institutions.

5. The Working Group should identify for consideration areas in which technical cooperation should be strengthened.

6. The work of the Working Group should be coordinated with that of other Committees and Working Groups.

7. The work of the Working Group should complement that of other international bodies while seeking to ensure that no duplication occurs.

8. The Working Group may recommend for the consideration of the Board the establishment of expert groups.

9. The Working Group shall complete its work within two years of the adoption of its terms of reference. It may submit interim reports and shall submit a final report on the results of its work to the Trade and Development Board.

10. The frequency of sessions of the Working Group is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

TERMS OF REFERENCE

Ad Hoc Working Group on Interrelationship between Investment and Technology Transfer

Pursuant to General Assembly resolution 1995 (XIX), as amended, and to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, an Ad Hoc Working Group on Interrelationship between Investment and Technology Transfer is established by the Trade and Development Board with the following terms of reference:

1. To examine, using case studies, the interrelationship between investment flows, particularly to developing countries, including least developed countries, and the transfer, absorption and generation of technology and related policy measures.

2. (a) To identify the main factors conducive to technology transfer through foreign investment that will facilitate technology flows and increase technological absorptive capacities;

(b) To analyse the role of intellectual property protection in international investment and technology flows and in the development of endogenous technological capabilities.

3. To examine, through case studies, the role played by private firms, governments and international organizations in the transfer of technology, related improvement of entrepreneurial capabilities, and in the creation and dissemination of technology, including investment in R & D and training.

4. To consider the impact of technological change, including new and emerging technologies, on investment decisions and production patterns, trade competitiveness and national capacities for innovation and adaptation. To consider also the role of foreign investment in technology transfer and technology development, including organizational technology.

5. To examine and encourage new initiatives and exchange of experiences on investment and technology policies that are conducive to overcoming constraints and facilitating technology transfer through investment, and the generation, transfer and diffusion of technology, including environmentally sound technologies which have an impact on competitiveness and development.

6. The work of the Working Group should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Working Group should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries. It should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

7. In its work, the Working Group should take due account of the diversity of country situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences. It could also, depending on the issue, seek the participation of, and draw on the experience and expertise of, non-governmental actors, particularly enterprises, trade unions, the academic community and non-governmental organizations as well as representatives of international institutions.

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13. The frequency of sessions of the Working Group is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.

UNDERSTANDING OF THE TRADE AND DEVELOPMENT BOARD RELATED TO THE TERMS OF REFERENCE OF STANDING COMMITTEES/AD HOC WORKING GROUPS

The Standing Committees and the Ad Hoc Working Groups, in their work, will take into account, as appropriate, the results of the review and follow-up by the Trade and Development Board of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s.

D. - Decision submitted by the Chairman of the Working Group of the Whole*

The Trade and Development Board,

Considering the importance of making available for socially productive use the funds released by the reduction of military expenditures,

Decides to consider at the earliest opportunity the establishment of an ad hoc working group to explore questions related to the issue of structural adjustment for the transition to disarmament and the implications for economic growth and development of reductions of military expenditures, taking into account the specific and individual situation of countries, in line with paragraphs 24, 98 and 99 of the Cartagena Commitment.

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* Initially circulated to the Board in TD/B/L.943.

PART II. - SUMMARY OF PROCEEDINGS

INTRODUCTION

1. In his opening statement, the President, Mr. Thomas Ogada (Kenya), said that the current session of the Board was of historic significance for UNCTAD since it was meeting to chart out the concrete and specific follow-up actions in response to the recommendations adopted at UNCTAD VIII in Cartagena de Indias. The year-long, worldwide preparations for the Conference, beginning early 1991, had taken place against the backdrop of fundamental and historic changes in the international scene. These changes, both political and economic, had influenced the discussions in the preparatory process involving a series of informal encounters, various intergovernmental regional and Ministerial meetings and the seventeenth special session of the Board. The pre-Conference preparations had been extensive and a number of expectations had emerged, including an emphasis on national as well as international dimensions of the development problematique and on the need for a strengthened and revitalized UNCTAD more attuned to emerging new realities. But of still greater importance had been the underlying crucial aspiration common to all delegations that a process of constructive international dialogue and cooperation was required to deal with the challenges and opportunities arising from the changed and changing international scene. He felt that these pre-Conference aspirations had been realized in Cartagena. Indeed, UNCTAD VIII had marked a turning point for the organization. New ground had been broken in the political, economic and institutional sphere. Politically, delegations represented at the Conference had displayed remarkable unity of purpose in adopting by consensus the political declaration and the final document entitled "A New Partnership for Development: The Cartagena Commitment". This commitment to a new spirit of partnership for development augured well for a constructive and coordinated approach to international cooperation for development under the aegis of UNCTAD in the immediate period ahead. In the economic sphere, the Conference had established several salient sectors and broad common approaches to addressing them under the theme of "strengthening national and international action and multilateral cooperation for a healthy, secure and equitable world economy". In general the traditional functions of UNCTAD had been reaffirmed, fresh approaches injected and new areas pertaining to new realities mapped out.

2. The all-important question of institutional reform was one of the major tasks which the Board would begin to address at its current session. The significance of this task could not be over-emphasized. Institutional development was a primary means for promoting constructive dialogue and partnership for development. If UNCTAD was to maintain its relevance vis-à-vis the needs of its member States, there must be adaptation, adjustment and updating to new realities, as had been agreed upon in Cartagena. Many delegations had stressed that decisions on institutional reform during and after the Conference would be the yardstick for measuring the success of UNCTAD's metamorphosis into a new and vibrant organization.

3. He therefore urged the Board to take up this task of institutional reform seriously by moving quickly towards establishing the terms of reference of the new standing committees and the ad hoc working groups. It was important that

the momentum for change launched in Cartagena be maintained and carried forward. In addressing this task, the Board would have to be guided by the pertinent broad objectives, the emphasis being placed on "intellectual input" as the starting point of a dynamic process of intergovernmental deliberations, consensus-building and negotiations, monitoring, implementation and follow-up.

4. In his introductory statement, the Secretary-General of UNCTAD said that UNCTAD VIII had marked a turning point in the history of UNCTAD. The Cartagena Commitment should now be translated into operational reality by implementing the institutional reforms envisaged by the Conference and by promoting action on the part of all countries and of the international community to give full effect to the substantive recommendations of the Conference. He recalled that at the monthly consultations of the Secretary-General of UNCTAD, held on 8 April 1992, it had been agreed that, since the Board was called upon by the Conference to take the necessary follow-up measures at its current session to ensure the speedy implementation of the agreed institutional reforms envisaged by the Cartagena Commitment, the Spring session would - except for unavoidable procedural issues - be devoted exclusively to institutional questions. It had also been agreed that the Board would establish an open-ended Working Group of the Whole, for the purpose of making recommendations on the terms of reference of the new Standing Committees and ad hoc working groups, and that it would hold a closing plenary meeting, on 1 May, in order to adopt those recommendations.

5. In the series of informal consultations which had taken place, he had distributed a paper containing preliminary thoughts of the secretariat on the terms of reference of the ad hoc working groups and the Standing Committees of the Board, without prejudice to the right of any delegation or group of delegations to submit their own views on the terms of reference of the new bodies. He had also suggested that delegations might wish to initiate consultations among themselves on these matters so as to enable the Board to make an early start in its work.

6. At the monthly consultations held on 8 April, it had also been agreed that the substantive items on the agenda of the Spring session - as adjusted in the light of the orientations provided by the Conference - would be considered for inclusion in the agenda of the first part of the thirty-ninth session (Autumn session) of the Board. That session was to be extended for an appropriate period in order to accommodate the consideration of these additional items. He had made available his suggestions on the possible content of the agenda for the first part of the thirty-ninth session to the Bureau of the Board. Since the provisional agenda for the Autumn session, as agreed upon by delegations, would need to be adopted by the Board at its closing plenary meeting on 1 May, he intended to continue his consultations to that end.

7. While concentrating on the terms of reference of the new bodies, delegations should not lose sight of other related institutional matters which would need to be addressed in the context of the institutional reforms envisaged by the Conference. He referred, for example, firstly to the four key areas identified in paragraph 63 of the Cartagena Commitment to serve as orientations for developing fresh approaches to long-standing issues and

insights for pursuing relevant new lines of work, and secondly to the indicative programme of work for the Board set forth in paragraph 66. Recent informal discussions suggested, however, that there were differences in perception as to the weight to be attached respectively to the paragraphs he had cited and to the work programme elements contained in Part IV of the Cartagena Commitment. These differences were not irresoluble provided it was borne in mind that the work programme elements identified in Part IV and the orientations identified in Part III were not mutually exclusive, and provided the task of establishing the programmes of work of the intergovernmental bodies concerned and in particular the definition of issues and subjects for consideration were derived from a common perception of the need, in each case, for further analyses, policy discussions, consensus-building or eventual negotiations.

8. Bearing this in mind, it would also be helpful, once the terms of reference of the new bodies were clarified and a preliminary calendar for their meetings was established, if thought were given to a framework for the establishment of a programme of work for the Board in line with paragraph 66 of the Cartagena Commitment, which would ensure that all the key areas indicated in paragraph 63 were covered in the period up to UNCTAD IX, in the context of the principal areas of action identified by the Conference. This would be extremely helpful not only for delegations in setting the future agenda, but also for the internal preparations by the secretariat.

9. Another matter to which delegations might wish to give some thought was the tasks envisaged for the executive sessions of the Board. At the April monthly consultations, the representative of Switzerland had volunteered some thoughts on the functions of the executive sessions and on their frequency. The rationale for the convening of the executive sessions was set forth in paragraph 67 of the Cartagena Commitment. These executive sessions could be a very important instrument, to be used when necessary immediately before or between sessions of the Board, in order to enhance the policy functions of the Board. Therefore, in the interest of clarity, there would be merit in elaborating further the tasks to be undertaken by executive sessions of the Board.

10. Finally, with regard to the follow-up action to be taken within the secretariat, he said that the necessary adjustments in the secretariat in order to enable the organization to meet the requirements of the new work programme and intergovernmental structures envisaged by the Cartagena Commitment would of course have to be determined by the outcome of the Board's deliberations on the terms of reference of the new Standing Committees and ad hoc working groups. Likewise the secretariat would need to present a revision of the UNCTAD section of the United Nations medium-term plan reflecting the outcome of the Conference. In drawing up this document, account must be taken both of the requirements of the new intergovernmental structures as well as of the necessary adjustments in the organizational arrangements within the secretariat. Furthermore, the staffing aspect of one subprogramme in the UNCTAD section of the current programme budget would have to be reviewed by the Committee on Programme Co-ordination (CPC) in a few months time and thereafter by the General Assembly at its forty-seventh session, taking into account the results of UNCTAD VIII. Since CPC would be

taking these matters up as from 31 August 1992, the relevant documents would need to be submitted to New York at least two months in advance, that is by the end of June 1992. Any slippage on the work of the Board at its current session would make it impossible for the secretariat to meet these targets. He therefore agreed with the President in emphasizing the urgency of the tasks facing the current session.

11. In conclusion, he said that the momentum generated at Cartagena must not be lost. The outcome of UNCTAD VIII had already begun to influence intergovernmental discussions and deliberations at United Nations Headquarters, and there was great expectation that the institutional reforms called for by the Conference would be put into place as soon as possible. This would not only serve as an important contribution to the reform of the economic and social sectors launched by the General Assembly but would also help to signal clearly UNCTAD's potential as an appropriate forum within the United Nations for the follow-up and implementation of the results of major intergovernmental deliberations such as the United Nations Conference on Trade and Development. The unity of purpose which had guided the deliberations at UNCTAD VIII should guide the work of the Board in the next two weeks if the participants were to remain true to the Spirit of Cartagena. The secretariat for its part stood ready as in the past to assist delegations in the work of this session of the Board.

Chapter I

FOLLOW-UP TO THE RECOMMENDATIONS ADOPTED BY THE CONFERENCE AT ITS EIGHTH SESSION: Establishment of the terms of reference of the new standing committees and ad hoc working groups

(Agenda item 2)

12. For its consideration of this agenda item, the Board had before it a note by the UNCTAD secretariat entitled "Follow-up to the recommendations adopted by the Conference at its eighth session: establishment of the terms of reference of the new standing committees and ad hoc working groups" (TD/B(XXXVIII)/CRP.2).

13. The spokesman for the Group of 77 (Tunisia) said that, despite its restricted agenda, the current session of the Board was of very great importance for his Group. During the current session and in the period following, the participants would be putting the spirit of Cartagena to the test and setting the new UNCTAD in motion. This was certainly an exciting task, but it would not necessarily be easy. It would call for patience, imagination and above all a certain faith in what was to be done. The tasks which needed to be dealt with were specified in the final document of Cartagena, namely:

- to promote a genuine climate of cooperation and solidarity;
- to launch a continuous and constructive dialogue towards a more efficient and equitable world economy;
- to lay the foundations of cooperation policies aimed at promoting economic and social progress.

This was the spirit of Cartagena which now inspired the international community and constituted its credo and main point of reference as it approached the crucial phase of implementing the decisions taken at Cartagena. The Group of 77 wished to express its confidence in this new process of dialogue and international cooperation and in the collective capacity of the international community to install a new type of international relations and a new world order that was more equitable and more favourable to development and to economic and social progress. He recalled that, in the preparatory phase leading up to the Conference, the Group of 77 had made a distinct contribution to the positive results achieved at UNCTAD VIII. Now that the Conference was over, his Group harboured great expectations for the follow-up. The developing countries were not asking for the impossible but simply to be able to make a real contribution to moving international economic relations in a direction that was more favourable to development and to economic and social progress. In short, the Group of 77 was simply asking for the implementation of what had been decided collectively in Cartagena.

14. It was stated in the final document of Cartagena that the restructuring of UNCTAD was aimed at enabling it to tackle new realities and to be better prepared for the new tasks imposed by the quest for a more equitable world development. This meant that restructuring was not an end in itself, but was

a way of endowing UNCTAD with the means of being more effective in carrying out its mandate. This mandate moreover, far from being modified in Cartagena, had been confirmed.

15. This being so, the Group of 77 considered that the final document of Cartagena constituted a single entity and that all of its various parts were equally important. The Cartagena Commitment was thus an indivisible whole. As for the terms of reference for the new structures of UNCTAD - i.e. standing committees and ad hoc working groups - he felt that the proposals circulated by the Secretary-General of UNCTAD formed an acceptable basis for discussion and negotiation. It was the wish of his Group that, with the establishment of these new structures, UNCTAD would be able to implement its work programme during the four-year period between now and the ninth session of the Conference. In this endeavour, it was important to remember that the Cartagena Commitment was the outcome of a consensus which reflected a delicate balance of the interests of all the parties - in other words, of the whole membership of the Conference. It was the duty of all participants to preserve that balance. The new partnership for development consisted of two aspects: national policies and international policies. It was important not to lose sight of these two components of the new partnership.

16. In recalling these several principles, he wished to underline yet again the readiness of the countries members of the Group of 77 to cooperate with the other Groups to ensure that the spirit of Cartagena would henceforth prevail - a spirit of dialogue and of frank and fruitful cooperation in the search for greater progress, greater well-being and greater security throughout the world.

17. The representative of Portugal, speaking on behalf of the European Community and its member States, said that the European Community and its member States were confident that, in devoting this session of the Board to the priority issue of institutional reform - namely the establishment of the terms of reference of the new Standing Committees and ad hoc working groups - the momentum and spirit of Cartagena would be fully maintained. In this regard, he expressed the Community's appreciation for the secretariat's contributions to keeping up that momentum and spirit through the various consultations promoted by the Secretary-General and by the presentation of the secretariat's "possible elements" of the terms of reference, which the Community had carefully examined. The European Community and its member States were ready to put forward their own views on this issue and sincerely expected that the work of the Board and of its informal Working Group would be successful and would allow the necessary follow-up measures of UNCTAD VIII to be taken in order to ensure a speedy implementation of the institutional reforms, as agreed in Cartagena.

18. The representative of China observed that UNCTAD VIII had been convened against the background of major changes in the international political and economic situation. The Cartagena Commitment reaffirmed that UNCTAD provided the most appropriate focal point, within the United Nations, for the integrated treatment of development and interrelated issues in key areas including trade, finance, investment, services and technology, to the benefit of all countries, particularly the developing countries. This confirmed once

again the role and status of this organization in promoting international multilateral economic cooperation and the economic growth and development of the developing countries.

19. UNCTAD's functions in policy analysis, negotiations, implementation, monitoring, follow-up and technical cooperation, as defined by the Conference, provided member States with the necessary mechanisms to translate their aspirations into reality. The revised and consolidated work programme had, on the one hand, retained the important traditional items that had long been of great concern to the developing countries and to which solutions were overdue, thus creating new opportunities for efforts aimed at solving these issues. On the other hand, the programme had included some new development issues of relevance to today's world, so that the work of UNCTAD could be more comprehensively adapted to the emerging development needs of the international community. The new partnership for development and the future policy orientations established by the Conference implied the basic principle that States should assume their responsibilities and duties both at national and international levels. The policies and measures formulated by the Conference in the sectoral areas contained specific action guidelines for countries to participate in international economic cooperation in the fields of trade and development. All this, if implemented in good faith, would enable a revitalized UNCTAD to make a useful contribution to the establishment of a healthy, secure and equitable world economy and to the restoration of the growth and development of the developing countries.

20. The Cartagena Commitment was a positive international document which reflected the collective commitment of the member States. Each part of the document was the result of consensus reached after negotiations by representatives of Governments. All parts were mutually reinforcing and complementary, and together they formed an integral whole, as one part could not override another. The whole document should be implemented in a comprehensive, balanced and serious manner. In this connection, as the Declaration of the Spirit of Cartagena pointed out, member States did need to demonstrate their political will and to assume responsibilities. It was true that, for reasons known to all, there were certain unavoidable discrepancies between some relevant parts of the document. Such problems should be addressed through consultations among all countries on an equal footing. As the document had been produced on the basis of democratic deliberations and negotiations, any dispute arising out of its interpretation should likewise be settled by means of democratic consultations. China hoped that all countries or groups of countries would show due respect for the new partnership and the spirit of Cartagena.

21. With regard to the new partnership, he made the following remarks: To meet the challenges of development in the 1990s, all countries should work together in a cooperative spirit to achieve the best possible results. As UNCTAD was made up of 179 sovereign States, it was almost inevitable that, when issues of crucial importance to the interests of member States were considered, there would be differences of opinion and sometimes even a sharp division before consensus was reached. In general, such differences were quite normal and should not be seen as confrontation. This state of affairs was not confined to UNCTAD. It was universal and was to be found also in the

Uruguay Round of multilateral trade negotiations and in other international forums. To deprecate different views by invoking at random the "new partnership" and "non-confrontation" was itself a way of actually defeating those principles and would not contribute to a favourable climate for a dialogue on a democratic and equal basis. The right approach was to find an ultimate solution to differences of opinion by means of dialogue in the spirit of seeking common ground.

22. His delegation believed that the work at the current session on mapping out the terms of reference for the Standing Committees and the ad hoc working groups set up at UNCTAD VIII should proceed by adhering to the following principles: (i) While striving to serve the interests of all countries, all the intergovernmental bodies should take into account in their work the particular interests of the majority of developing countries, especially the least developed countries; (ii) wherever possible and appropriate, they should contribute to an all-round, balanced and effective implementation of the Cartagena Commitment; (iii) they should promote good management at both national and international levels; and (iv) they should ensure the full exercise of the four basic functions of UNCTAD and promote an action-oriented approach in the work of the intergovernmental bodies and the UNCTAD secretariat.

23. Finally, his delegation appreciated the draft text on possible elements of terms of reference for the relevant bodies circulated by the secretariat and was prepared to work with other delegations on that basis. He also welcomed and would consider positively any constructive suggestions or element proposals from other countries or groups. He hoped that the terms of reference for the intergovernmental bodies, which would emerge from the joint efforts of all countries, would give concrete expression to the spirit of the Cartagena Commitment and that their effective implementation would contribute to the birth of a reinvigorated UNCTAD and of enhanced international economic cooperation in trade and development.

24. The representative of the Russian Federation reaffirmed his country's high appreciation of the results of UNCTAD VIII, which had already been expressed in Cartagena. It was important now to embark upon their early and balanced implementation. This work, in particular with regard to the Board's new intergovernmental organs and their terms of reference, coincided with the restructuring of the United Nations and its Secretariat. In that connection, the role of UNCTAD could not be considered without regard for the new programme of work adopted by consensus at Cartagena, especially since that programme had to be reflected in the medium-term plan for the period 1992-1997.

25. The Cartagena Commitment, notably in paragraph 46, reaffirmed the role of UNCTAD in contemporary world economic relations, and indeed all aspects of UNCTAD's activity should now be determined on the basis of the final act of UNCTAD VIII. As emphasized in paragraphs 47-49 of the Cartagena Commitment, an urgent restructuring of UNCTAD was needed to ensure that the new opportunities were not missed. The Russian Federation intended to make its contribution to the working out of balanced mandates for the Standing Committees and ad hoc working groups which would reflect the interests of all countries members of UNCTAD.

Report by the Chairman of the Working Group of the Whole

26. At the 805th plenary meeting, on 1 May 1992, the Chairman of the Working Group of the Whole reported that the Working Group had reached agreement on the draft terms of reference of the four standing committees and five ad hoc working groups called for by the Conference. The draft terms of reference were submitted to the Board in the following documents:

— Standing Committee on Commodities (TD/B/L.937)

— Standing Committee on Poverty Alleviation (TD/B/L.938)

— Standing Committee on Economic Co-operation among Developing Countries (TD/B/L.935)

— Standing Committee on Developing Services Sectors: Fostering Competitive Services Sectors in Developing Countries (TD/B/L.936)

— Ad Hoc Working Group on Investment and Financial Flows; Non-debt-creating Finance for Development; New Mechanisms for Increasing Investment and Financial Flows (TD/B/L.939)

— Ad Hoc Working Group on Trade Efficiency (TD/B/L.932)

— Ad Hoc Working Group on Comparative Experiences with Privatization (TD/B/L.933)

— Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries (TD/B/L.934)

— Ad Hoc Working Group on Interrelationship between Investment and Technology Transfer (TD/B/L.940).

He drew attention to the fact that (a) the terms of reference of the Ad Hoc Working Group on Investment and Financial Flows had been agreed on the understanding that the subject of the further evolution of the debt strategy would be taken up by the Trade and Development Board, in accordance with the Cartagena Commitment; and that (b) the terms of reference of all the new bodies had been agreed on the understanding that, in their work, they would take into account, as appropriate, a review of the progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s.

27. The Working Group had also approved an agreed text, submitted by the Chairman, containing general provisions relating to the terms of reference of all the standing committees and ad hoc working groups (TD/B/L.941).

28. The Chairman presented orally a draft decision which he had submitted (subsequently circulated in TD/B/L.943), whereby the Board would decide to consider at the earliest opportunity the establishment of an ad hoc working group to explore questions related to the issue of structural adjustment for the transition to disarmament, and the implications for economic growth and

development of reductions of military expenditures, taking into account the specific and individual situation of countries, in line with paragraphs 24, 98 and 99 of the Cartagena Commitment.

29. Finally, the Working Group was remitting to the Board, for its consideration, draft terms of reference for the Trade and Development Board in executive session (subsequently circulated in TD/B/L.942).

Action by the Board

30. At its resumed 805th (closing) meeting, on 7 May 1992, the Trade and Development Board adopted decision 398 (XXXVIII). (For the decision, see Part I above.) By that decision, the Board adopted the terms of reference of the four Standing Committees and the five Ad Hoc Working Groups, together with the related general provisions, as well as the two related understandings concerning debt and LDCs; the guidelines for the Trade and Development Board in executive session; and the draft decision submitted by the Chairman of the Working Group of the Whole in TD/B/L.943. These texts are annexed to the decision as follows:

Annex A: The Trade and Development Board in executive session

Annex B: Terms of reference of the Standing Committees

Annex C: Terms of reference of the Ad Hoc Working Groups

Annex D: Decision submitted by the Chairman of the Working Group of the Whole.

Statements made upon the adoption of decision 398 (XXXVIII)

31. The representative of United Republic of Tanzania stated that his delegation wished to enter a reservation on paragraph 1 of the text on "The Trade and Development Board in executive session" (see Part I, decision 398 (XXXVIII), annex A), in particular in relation to the phrase "strengthening of the policy function of the Board in adapting the organization's work to changing worldwide economic circumstances". Since it was here a matter of executive sessions, he considered that the Board could not be placed in the position of having to react all the time to changing circumstances, trying to clutch at whatever straws might be in the wind, without any clarity about the objectives to be pursued. UNCTAD and its organs, including the Board, were specifically intended to pursue the twin objectives of trade and development. The omission of this central purpose in the operative part of the text could make the term "strengthening" out of place, since there might even be a weakening of the policy function. His delegation had therefore tried unsuccessfully to have paragraph 1 amended to read as follows:

> "1. The executive sessions of the Board will facilitate the strengthening of the policy functions of the Trade and Development Board by organizing its work to meet the needs of trade and development keeping in view changing worldwide circumstances, and accordingly reviewing work programmes and priorities, promoting greater efficiency and reacting to reports from its subsidiary bodies in order to give impetus to ongoing work."

He felt that the text as it now stood exposed the Board indefinitely - perhaps for the next 10 or 20 years - to the need to react all the time to changing worldwide circumstances, without keeping in the forefront the central purpose of meeting the needs of trade and development. This was why the Tanzanian delegation wished to enter a reservation on this paragraph.

32. The representative of Chile observed that the progress made in adopting the terms of reference for the Standing Committees and the Ad hoc Working Groups represented a step towards achieving the implementation of concrete policies that were in accordance with the spirit and letter of the Cartagena Commitment, especially paragraphs 64 and 71, among others. But the implementation of such policies would not be achieved by preparing documents - however worthy and interesting in terms of new ideas - if they were not put into practice. In the view of his delegation, the next major step was to secure the participation in these Committees and Working Groups of people who held real responsibility and decision-making powers for implementing these policies in their own countries. What might prevent such people from participating in the Committees and Working Groups? The main reason was no doubt the urgency of the work in their own countries, and hence lack of time to travel to meetings in Geneva. This implied an enormous challenge for the members of the Board: namely, how to portray to national senior officials and experts the work of these new Committees as being even more compelling than the immediate urgencies in their home countries. His delegation believed that the main way to do this would be to ask those senior officials themselves in which areas and issues they would wish to hear of the experiences of other countries that had been successful in applying policies which they too were interested in applying. Which people in those other countries would they like to meet and get to know in the UNCTAD meetings for the very reason that they were people who had been successful in carrying out worthwhile structural reforms from which they too could learn something? Which countries had been successful in poverty alleviation, and which specific policies and people had achieved this? Which countries had managed to increase their exports or to attract additional financing? Such issues could be the subject of a fruitful exchange of ideas.

33. His delegation considered that inquiring into the issues that were of priority interest to national policy decision-makers was the fundamental task of the UNCTAD secretariat in the next stage of the work relating to the Committees and Working Groups. The people who had a responsible leadership role at the national level in relation to the issues which the Conference and the Board had identified should be asked who they would like to hear presenting their experience. Having expressed a wish of this kind, they would be expected to commit themselves to attending the meeting in question, since participants from other countries and regions would be informed of the interest expressed in the presentation of their experience. The process of inquiry which he was proposing was aimed at securing the participation of the most senior people in the future work of the UNCTAD Committees and Working Groups.

Chapter II

CLOSING STATEMENTS MADE AT THE RESUMED 805TH (CLOSING) MEETING, ON 7 MAY 1992

34. The representative of Portugal, speaking on behalf of the European Community and its member States, said that the Community sincerely hoped that, with the new institutional framework established by the Board at its current session, a revitalized UNCTAD might now be able to provide an adequate response to the challenges of the new international context in the fields of trade and development. He felt confident that the New Partnership for Development and the Spirit of Cartagena had been confirmed by the outcome of the difficult exercise which the Board had undertaken in establishing the mandates and terms of reference of the new bodies. One could now expect to see a renewal of the interest in UNCTAD's work, in the form of an increased participation, not only of experts from capitals, but also of non-governmental actors. For their part, the European Community and its member States would continue to make their contribution to the work of the organization and were committed to participating fully in the activities of the new bodies.

35. The spokesman for the Group of 77 (Tunisia) said that it was important to evaluate the results of the current session of the Board in terms of new gains for the international community as a whole, common views on concessions to be made, and the partnership for installing a new international order. Coming in the wake of UNCTAD VIII, this session of the Board had undertaken the crucial task of setting up the new Standing Committees and Ad hoc Working Groups. The Group of 77 had approached the work of the session with an open mind, ready to meet half way the proposals put forward by its partners in order to build together the new UNCTAD in which confrontation - which was often futile - would make way for consensus leading to convergent aims. The outcome of the Board thus reflected amply the Spirit of Cartagena and was likely to revitalize UNCTAD and to make it more open to present-day realities, while guaranteeing that all member States would participate fully in elaborating and implementing the new partnership. This was a positive step towards the realization of common interests.

36. The results achieved thus augured well for the evolution both of UNCTAD and of the relationships between its member States. It was therefore necessary to maintain the fragile equilibrium that had now been achieved in UNCTAD - an equilibrium whereby the Board recognized the value of introducing the dimension of national policies into its discussions and analyses while remaining convinced of the need to maintain joint efforts to create an international environment that was more favourable to development. It was of the utmost importance that the Board should continue to devote the same level of attention to international policies in its discussions, analyses and recommendations. In their common efforts to renew UNCTAD's methods of work, all participants had agreed that development remained the very essence of UNCTAD's mandate. The Group of 77 therefore hoped that the spirit which had prevailed during this session of the Board would endure when the time came to put into practice the terms of reference of the Committees and Working Groups. It was to be hoped also that the particular problems of the developing countries would continue to be a priority concern of the international community and that joint action within UNCTAD would help to

increase the resources allocated to stimulating and promoting the development of those countries. For their part, the developing countries would spare no effort to maintain and accelerate the momentum generated at the current session and to continue working in the same spirit of dialogue, consensus and cooperation.

37. The representative of the Russian Federation welcomed the fact that it had been possible to adopt terms of reference for the Board's new subsidiary bodies in line with the provisions of the final document of UNCTAD VIII. Those terms of reference duly reflected the interests of countries in transition, including the Russian Federation.

38. A great deal nevertheless remained to be done to ensure that the revitalized UNCTAD became a genuinely universal and democratic organization that would consider problems of trade and development in a balanced manner that served the interests of all groups of countries, taking account of the level of development. He was referring to the adoption of work programmes for the new Committees and Working Groups, possible changes in the Medium-term Plan and the restructuring of the UNCTAD secretariat.

39. Joint efforts would be required to ensure that the commitments undertaken at Cartagena were fulfilled and that UNCTAD ceased to be a forum for lengthy and sometimes sterile debate and became instead a unique organization for the analysis and assessment of topical issues and necessary measures in the field of trade and development, on the basis of the new partnership proclaimed in Cartagena.

40. The representative of China expressed his delegation's hope that the new Committees and Working Groups would act in the spirit of the Cartagena Commitment by carrying out as soon as possible the work entrusted to them. In this way, UNCTAD could become more receptive and could contribute fully to equitable and reliable world economic development and to the growth of the developing countries.

41. The spokesman for the least developed countries (Bangladesh) said that the current session of the Board had been one of the most crucial sessions in the history of UNCTAD. It marked the beginning of a new era for the organization, characterized by renewed commitment to the partnership for development. The LDCs earnestly hoped that UNCTAD would fully succeed in this endeavour.

42. He recalled that at the eighth session of the Conference the international community had reiterated its collective commitment to full, effective and timely implementation of the Programme of Action for the Least Developed Countries for the 1990s. The Conference had also reaffirmed the arrangements for the follow-up and review of progress in the implementation of the Programme at each annual Spring session of the Trade and Development Board, with the Least Developed Countries Annual Report serving as a background document. The LDCs were particularly happy with this reaffirmation by the Conference. They were also grateful to the Board for adopting the understanding that the Standing Committees and Ad hoc Working Groups should, in their work, take into account, as appropriate, the results of the follow-up and review by the Board of progress in the implementation of the Programme of

Action for the Least Developed Countries. This understanding was of particular importance in that it would ensure avoidance of duplication and overlapping of work between the Board, which is responsible for the follow-up and review of the Programme, and its subsidiary bodies.

43. Finally, referring to item 7 of the provisional agenda of the Board for the first part of its thirty-ninth session - namely, "Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s" - he said that this review should be carried out with the utmost seriousness. It was therefore imperative that participants in this review should all be at the decision-making level. In this connection, he referred to a decision adopted by the United Nations General Assembly at its forty-sixth session requesting the United Nations Secretary-General to obtain extra-budgetary resources for enabling representatives from capitals of least developed countries to participate in the Trade and Development Board. The LDCs therefore urged its development partners to contribute adequately to the extra-budgetary resources necessary for this purpose.

44. The President expressed his heartfelt appreciation to all delegations for their active and effective participation in the work of the current session of the Board, which had demonstrated that UNCTAD had responded to changes taking place in international trade and development which had been unpredictable in the preceding decades. The emerging process of globalization required a trading system that facilitated the exchange of goods and services, so that all countries might benefit from the scientific, technological and cultural innovations in the various regions of the world. Generally speaking, success in the future work of UNCTAD could go a long way towards helping all countries to achieve impressive economic growth and rising living standards. The task of establishing the terms of reference of new intergovernmental bodies concerned with the implementation of the Cartagena Commitment had not been an easy one. Nevertheless, at its current session the Board had laid the foundation for further analysis of issues for the purposes of policy discussion, consensus-building, negotiations and agreements. Whatever had been achieved and agreed upon amounted to what participants collectively wanted UNCTAD to be in the future. The agreement on the terms of reference for the newly established Committees and Working Groups would facilitate the establishment of the work programme of the intergovernmental bodies and the definition of specific topics for consideration in the coming years. The Board had consolidated the results achieved in Cartagena and had thereby reaffirmed the initiatives taken and the commitments entered into at the Conference by States members of UNCTAD.

45. Finally, the Board owed a large measure of gratitude to the Secretary-General of UNCTAD, who had been, through his immense patience and wise counsel, a true leader of this organization. His able leadership would be even more indispensable as UNCTAD moved into the uncharted waters of its new endeavour.

Chapter III

PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL AND ADMINISTRATIVE MATTERS

A. Opening of the session

46. The second part of the thirty-eighth session of the Trade and Development Board was opened on 21 April 1992 by the President, Mr. Thomas Ogada (Kenya), who made a statement (see Introduction, paras. 1-3).

B. Bureau of the Board

47. At its 804th (opening) meeting, on 21 April 1992, the Board elected Mr. John Swift (Ireland) to replace Mr. Giulio di Lorenzo Badia (Italy).

48. Accordingly, the Bureau of the Board at the second part of the thirty-eighth session was as follows:

President:	Mr. Thomas Ogada (Kenya)
Vice-Presidents:	Mr. Morris B. Abram (United States of America) Mr. Petr Bambas (Czechoslovakia) Mr. Lloyd M.H. Barnett (Jamaica) Mr. Johan Frederik Boddens-Hosang (Netherlands) Ms. Taous Feroukhi (Algeria) Mr. Jamtono Rahardjo (Indonesia) Mr. Fawaz Sharaf (Jordan) Mr. John Swift (Ireland) Mr. T.V. Teodorovich (Russian Federation) Mr. Arnold Willen (Sweden)
Rapporteur:	Mr. Iñigo Salvador-Crespo (Ecuador).

C. Adoption of the agenda and organization of work of the session

(Agenda item 1 (a))

49. At the 804th meeting, the President drew attention to paragraph 87 of the Cartagena Commitment, in which the Conference called upon the Board, at its first session following UNCTAD VIII, to take the necessary follow-up measures to ensure the speedy implementation of the agreed institutional reforms. The Board was informed that, in the light of that directive, the Consultations of the Secretary-General of UNCTAD, held on 8 April 1992, had decided that, with the exception of unavoidable procedural issues, the second part of the thirty-eighth session of the Board should be devoted exclusively to institutional issues; and had accordingly approved a revised provisional agenda for the session (TD/B/1314).

50. Having taken note of the above decisions, the Board adopted the revised provisional agenda in TD/B/1314, with the addition of two procedural subitems announced by the President. (The agenda as adopted was subsequently circulated in TD/B/1321 and is reproduced in annex I below.)

51. The Board also approved the organization of work for the session in TD/B/1314/Add.1, with the amendments recommended by the Bureau, on the understanding that the tentative timetable could be further adjusted in the light of developments.

D. Establishment of the Working Group of the Whole

52. At its 804th meeting, the Board established an open-ended Working Group of the Whole, to meet informally, for the purpose of establishing the terms of reference of the Standing Committees and ad hoc working groups called for by the Conference. The Board elected Mr. Gunnar Lund (Sweden) as Chairman of the Working Group.

53. The Working Group established two drafting groups as follows:

— Drafting Group A, chaired by Mr. J. Navarrete (Mexico)

— Drafting Group B, chaired by Mr. M. Bailey (Canada).

E. Tribute to the memory of His Excellency Mr. Adnan Tarcici (Yemen)

54. At its resumed 805th (closing) meeting, on 7 May 1992, the Board observed a moment of silence in memory of His Excellency Mr. Adnan Tarcici, Ambassador of Yemen to the United Nations in Geneva.

F. Membership and attendance*

55. The following States members of UNCTAD, members of the Board, were represented at the session: Afghanistan; Albania; Algeria; Argentina; Australia; Austria; Bahrain; Bangladesh; Belarus; Belgium; Bhutan; Bolivia; Brazil; Bulgaria; Burkina Faso; Burundi; Cameroon; Canada; Chile; China; Colombia; Costa Rica; Côte d'Ivoire; Cuba; Czechoslovakia; Democratic People's Republic of Korea; Denmark; Dominica; Dominican Republic; Ecuador; Egypt; El Salvador; Ethiopia; Finland; France; Germany; Ghana; Greece; Haiti; Hungary; India; Indonesia; Iran (Islamic Republic of); Iraq; Ireland; Israel; Italy; Jamaica; Japan; Jordan; Kenya; Kuwait; Lebanon; Liberia; Libyan Arab Jamahiriya; Liechtenstein; Luxembourg; Madagascar; Malaysia; Malta; Mexico; Mongolia; Morocco; Myanmar; Nepal; Netherlands; New Zealand; Nicaragua; Nigeria; Norway; Oman; Pakistan; Panama; Paraguay; Peru; Philippines; Poland; Portugal; Qatar; Republic of Korea; Romania; Russian Federation; Saudi Arabia; Senegal; Somalia; Spain; Sri Lanka; Sudan; Sweden; Switzerland; Syrian Arab Republic; Thailand; Togo; Trinidad and Tobago; Tunisia; Turkey; Ukraine; United Arab Emirates; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America; Uruguay; Venezuela; Viet Nam; Yemen; Yugoslavia; Zambia; Zimbabwe.

56. The following other States members of UNCTAD, not members of the Board, were represented at the session: Brunei Darussalam; Equatorial Guinea; Lithuania.

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* For the list of participants, see TD/B/INF.188.

57. Palestine participated pursuant to General Assembly resolution 3237 (XXIX).

58. The Department of Economic and Social Development; United Nations Environment Programme were represented at the session. The International Trade Centre UNCTAD/GATT was also represented at the session.

59. The following specialized and related agencies were represented at the session: Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization; International Monetary Fund; United Nations Industrial Development Organization; World Bank; World Intellectual Property Organization. The General Agreement on Tariffs and Trade was also represented at the session.

60. The following intergovernmental organizations were represented at the session: European Economic Community; Latin American Economic System; League of Arab States; Organisation for Economic Co-operation and Development; Organization of African Unity.

61. The following non-governmental organizations were represented at the session: General Category: International Chamber of Commerce; Women's International League for Peace and Freedom; World Federation of Trade Unions; World Federation of United Nations Associations.

G. Adoption of the report on credentials

(Agenda item 1 (b))

62. At its resumed 805th (closing) meeting, on 7 May 1992, the Board adopted the report of its Bureau on the credentials of representatives attending the session (TD/B/1322).

Statements made on the participation of Yugoslavia

63. The representative of the United States of America stated that his country noted that participation by the delegation of the "Federal Republic of Yugoslavia" in the Trade and Development Board of the United Nations Conference on Trade and Development raised questions related to Yugoslavia's status as a member of the Trade and Development Board. The United States did not believe that this was the appropriate time to seek resolution of all those questions, but it noted that the proceedings in the current session of the Board were without prejudice to their ultimate resolution.

64. The representative of Austria said that, in the opinion of her country, the constitution of the Federal Republic of Yugoslavia was a further important step in the process of the dissolution of the Socialist Federal Republic of Yugoslavia as described in the Consultative Opinion No. 1 of the arbitration commission of the European Community Conference on Yugoslavia, chaired by H.E. Minister Badinter. There was no legal basis for an automatic

continuation of the legal existence of the former Socialist Federal Republic of Yugoslavia by the Federal Republic of Yugoslavia, which therefore could not be considered to continue the Yugoslav membership in international organizations. For an eventual international recognition of the Federal Republic of Yugoslavia, the criteria which had been determined by the European Community on 16 December 1991 for the succession States should be applied. In this respect, Austria drew special attention to the protection of human rights and the rights of ethnic groups.

65. The representative of Hungary said that his delegation also noted that the participation of the delegation of the "Federal Republic of Yugoslavia" raised questions concerning its succession to the Socialist Federal Republic of Yugoslavia as well as on its status as a member of the UNCTAD Trade and Development Board. His delegation wished to state that the adoption by the Board of the report on credentials was without prejudice to the resolution of those questions.

66. The representative of Portugal, speaking on behalf of the European Community and its member States, said that the Community and its member States had taken note of the Declaration of the representatives of the Peoples of the Republic of Serbia and the Republic of Montenegro, of 27 April 1992, which stated that the Federal Republic of Yugoslavia continued "the State, international legal and political personality of the Socialist Federative Republic of Yugoslavia". This Declaration raised questions related to the continuity of Yugoslavia's membership of international organizations, including the United Nations, which were under consideration. As a matter of fact, the European Community and its member States had not accepted the automatic continuity of the Federal Republic of Yugoslavia in international organizations, including the United Nations. At this stage, they reserved their position on this question. They therefore considered that the participation in the UNCTAD Trade and Development Board of the delegation in question was without prejudice to future decisions which might be taken by the European Community and its member States on this and related issues.

67. The representative of Yugoslavia said that he was certain that the President was in agreement with him that the meeting of the Board was neither the right place nor the right time to discuss the Federal Republic of Yugoslavia. In response to the statements made by the representatives of the United States of America, Austria, Hungary and Portugal on behalf of the European Community, he stated that the Assembly of the Socialist Federal Republic of Yugoslavia, at its session held on 27 April 1992, had promulgated the Constitution of the Federal Republic of Yugoslavia. Under the Constitution, strictly respecting the continuity of the international personality of Yugoslavia, the Federal Republic of Yugoslavia shall continue to fulfil all the rights conferred to and obligations assumed by the Socialist Federal Republic of Yugoslavia in international relations, including its membership in all international organizations and participation in international treaties ratified or acceded to by Yugoslavia. The Federal Republic of Yugoslavia, as a founding member of the United Nations, acknowledged its full commitment to the world's organizations. He gave an assurance that Yugoslavia would continue its very active role in UNCTAD as it had done so far.

H. Provisional agenda for the first part of the thirty-ninth regular session of the Board

(Agenda item 1 (ç))

68. At the same meeting, the Secretary-General of UNCTAD stated that, after difficult and protracted consultations, a large measure of agreement had been reached on the content of the provisional agenda for the first part of the thirty-ninth session of the Board. He had indicated the extent of agreement reached in an unofficial paper entitled "Elements suggested by the Secretary-General of UNCTAD for a draft provisional agenda for the first part of the thirty-ninth session of the Trade and Development Board", which had been made available to all delegations in UNCTAD/PSM/CAS/401/Rev.2. He pointed out, however, that many delegations had taken the position that the agenda should be seen as a package and that final approval depended on agreement on all its components.

69. With this general caveat in mind, he drew attention to four related features. One was that during the consultations he had suggested that, in accordance with Trade and Development Board resolution 358 (XXXV), an item be included concerning the recent evolution of debt rescheduling. In the absence of agreement for the inclusion of such an item on the provisional agenda for the first part of the thirty-ninth session, the understanding had been reached that the Board would have on the agenda for the first part of its fortieth session an item which would enable it to address in a comprehensive fashion debt issues in a development context, including the recent evolution of debt rescheduling as required in resolution 358 (XXXV).

70. Secondly, it had been recognized that the maintenance of item 10 (a) relating to the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT was subject to that Group's meeting in 1992 and in time for the Board to consider its report.

71. Thirdly, although there was agreement that consideration had to be given to the question of extending the duration of the first part of the thirty-ninth session in order to accommodate the extended agenda for that session, no agreement could be reached on the precise duration of that session. It was therefore proposed that this matter be pursued through the informal consultations after the conclusion of the current session of the Board.

72. Finally, he drew attention to the fact that item 9 relating to the report of the Secretary-General on assistance to the Palestinian people in the light of the Cartagena decision remained within brackets. He recalled that his original suggestion had been that the item be entitled "Assistance to the Palestinian people". In the light of the consultations that had followed, he had revised his suggestion so that, in the first place, the item would be reformulated to read "Report of the Secretary-General on assistance to the Palestinian people in the light of the Cartagena decision", and that, in the second place, it would be understood that, while delegations would be at liberty to make such statements as they saw fit, the action to be taken by the Board would be limited to taking note of the report. No agreement could be

reached on this revised suggestion. This had been the situation two days previously. He understood that since then positive developments had occurred as a result of further contacts among interested delegations. The representative of Canada, whose good offices had been brought to bear on these contacts, had kept him informed, and he felt that it would be helpful if the representative of Canada was now invited to report to the Board on the outcome of these contacts.

73. The representative of Canada said that, as a result of the informal consultations which had taken place in the past few days on item 9 of the provisional agenda for the first part of the thirty-ninth session, he believed that there was now a consensus to proceed on the basis of the proposal which the Secretary-General of UNCTAD had just put to the Board. In the light of that, he proposed that the square brackets around item 9 be deleted, as well as the square brackets around the text as a whole.

Action by the Trade and Development Board

74. At its resumed 805th (closing) meeting, on 7 May 1992, the Board, having heard the statements by the Secretary-General of UNCTAD and the representative of Canada, approved the draft provisional agenda for the first part of its thirty-ninth session, as reflected in UNCTAD/PSM/CAS/401/Rev.2. (The provisional agenda was subsequently circulated in TD/B/INF.187 and is reproduced in annex II below.)

I. Designation of the President of the thirty-ninth regular session of the Board

(Agenda item 1 (d))

75. At its resumed 805th (closing) meeting, on 7 May 1992, the Board noted that Group D had decided to relinquish its turn in the cycle for the rotation of the office of President of the Board. Accordingly, the President for the thirty-ninth session of the Board was to be designated from among the countries members of Group B.

76. In the light of the above, the Board designated H.E. Mr. Gündüz Aktan (Turkey) to serve as President of the Board at its thirty-ninth session.

J. New States members of UNCTAD

(Agenda item 3 (a))

77. At the 804th meeting, on 21 April 1992, the President, on behalf of the Board, congratulated the nine States which the General Assembly had admitted to membership in the United Nations on 2 March 1992. Of these, San Marino was already a member of UNCTAD. Under the provisions of Assembly resolution 1995 (XIX), the remaining eight (Armenia; Azerbaijan; Kazakhstan; Kyrgyzstan; Republic of Moldova; Tajikistan; Turkmenistan; and Uzbekistan) had automatically become members of UNCTAD, thus bringing the membership of UNCTAD to 179.

K. Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

(Agenda item 3 (b))

78. At its resumed 805th (closing) meeting, on 7 May 1992, the Board designated the following intergovernmental body for purposes of rule 76 of the rules of procedure: International Customs Tariffs Bureau (ICTB), information on which was contained in document TD/B/R.62.

L. Review of the calendar of meetings

(Agenda item 3 (c))

79. At the resumed 805th (closing) meeting, on 7 May 1992, the Chief of the Conference Affairs Service stated that, after informal consultations among the members of the Calendar Group, the following understanding had been reached regarding the nineteenth session of the Special Committee on Preferences:

(i) The Committee would meet in formal session for five days as from 18 May, and thus the nineteenth session of the Committee would be scheduled from 18 to 22 May 1992.

(ii) On the following Monday and Tuesday, i.e. 25-26 May, facilities would be made available, within the framework of the Special Committee on Preferences, as necessary, to complete any bilateral or plurilateral consultations that had been requested.

(iii) The above two points would be adequately reflected in a communication to be sent as soon as possible to all participants.

80. In the period ahead, it would be understood that the Calendar Group could be convened as and when necessary to review any outstanding calendar matters, and to make recommendations as appropriate to the regular consultations of the Secretary-General of UNCTAD and to the Trade and Development Board meeting in executive session.

81. At the same meeting, the Board took note of the agreement reached with regard to the Special Committee on Preferences.

M. Administrative and financial implications of the actions of the Board

(Agenda item 3 (d))

82. At the resumed 805th (closing) meeting, on 7 May 1992, the Secretary of the Trade and Development Board stated that, with regard to the administrative and financial implications of the Cartagena Commitment, and the decision made at the current session of the Board in establishing the new standing committees and ad hoc working groups, in the current estimation of the secretariat the resources provided in the programme budget for the Board's subsidiary bodies which had been suspended, together with the provisions for

working groups in the UNCTAD calendar of meetings, would be adequate to cover the conference servicing requirements of the new bodies established by the Conference at its eighth session.

N. Other business

(Agenda item 4)

1. Membership of the Trade and Development Board

83. At the resumed 805th (closing) meeting, on 7 May 1992, the President informed the Board that the Secretary-General of UNCTAD had received a communication, dated 27 April 1992, from the Permanent Mission of Albania, indicating that Albania wished to become a member of the Trade and Development Board.

84. At the same meeting, the Board elected Albania to membership of the Trade and Development Board, thus bringing membership of that body to 132.

2. International Trade Centre UNCTAD/GATT

85. The representative of the United Republic of Tanzania, referring to item 10 (a) of the provisional agenda for the first part of the thirty-ninth session of the Board (namely, "Export promotion: report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty-fifth session"), stated that his delegation was anxious about the impasse that now existed regarding the leadership of the International Trade Centre (ITC). He pointed out that ITC had been playing a very important role in the area of work covered by the Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries, for which the Board had just adopted terms of reference. He therefore expressed his earnest hope that the impasse would be broken as a matter of urgency, bearing in mind the great risk of significantly reducing the efficacy of ITC and the loss of morale of the staff, through no fault of their own. The evolution of ITC as a productive partnership between UNCTAD and GATT spoke for itself. It had moved from an initial budget of little more than $1 million at the time of its inception to a budget of $55 million in 1991, thanks to the credibility it had built up and to the confidence shown by those who had provided resources to support its activities specifically aimed at assisting developing countries, in particular the least developed countries.

86. As a result of the impasse, Tanzania's own current programme with regard to ITC had been adversely affected. He did not know who was gaining from this situation, but it certainly was not the developing countries. His delegation therefore expressed its devout hope that the impasse would be resolved and that, in particular, the relationship between UNCTAD and GATT illustrated by ITC would continue to work as a partnership, as it had done in the past to the advantage of all concerned.

87. The representative of India expressed full support for the statement by the representative of the United Republic of Tanzania. She recalled that the Asian Group, and subsequently the Group of 77 as a whole, had already

expressed similar views and conveyed them to the Secretary-General of the United Nations. On this occasion, she wished to emphasize that the developing countries would like to see maintained the strong link which ITC represented between UNCTAD and GATT.

88. The spokesman for the Latin American Group (Peru) associated himself also with the views expressed by the representative of the United Republic of Tanzania. The Latin American countries considered that ITC was one of the most efficient organs in the international system in Geneva. The situation in which ITC now found itself really was restricting its capacity for action and affecting its long-standing efficiency. Some months ago the Latin American Group had addressed itself to the Secretary-General of the United Nations to request that the nomination of the Executive Director of the International Trade Centre UNCTAD/GATT be undertaken in conformity with the parameters traditionally observed in the Centre. The Latin American Group's position on this matter remained unchanged. They therefore called on the Secretary-General of UNCTAD to liaise closely with GATT so that, through cooperation and an exchange of ideas, a rapid solution could be found to this problem.

O. Adoption of the report of the Board

(Agenda item 5)

89. At its resumed 805th (closing) meeting, on 7 May 1992, the Board adopted the draft report on the second part of its thirty-eighth session (TD/B/L.930) and authorized the Rapporteur, Mr. Iñigo Salvador-Crespo (Ecuador), to complete the final report as appropriate.

ANNEXES

Annex I

AGENDA FOR THE SECOND PART OF THE THIRTY-EIGHTH SESSION OF THE TRADE AND DEVELOPMENT BOARD*

1. PROCEDURAL MATTERS

   (a) Adoption of the agenda and organization of work of the session;

   (b) Adoption of the report on credentials;

   (c) Provisional agenda for the first part of the thirty-ninth regular session of the Board;

   (d) Designation of the President of the thirty-ninth regular session of the Board.

2. FOLLOW-UP TO THE RECOMMENDATIONS ADOPTED BY THE CONFERENCE AT ITS EIGHTH SESSION: Establishment of the terms of reference of the new standing committees and ad hoc working groups

3. INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

   (a) New States members of UNCTAD;

   (b) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

   (c) Review of the calendar of meetings;

   (d) Administrative and financial implications of the actions of the Board.

4. OTHER BUSINESS

5. ADOPTION OF THE REPORT OF THE BOARD.

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* Adopted by the Board at its 804th meeting on 21 April 1992. (See part II, paras. 49-50 above.)

Annex II

PROVISIONAL AGENDA FOR THE FIRST PART OF THE THIRTY-NINTH REGULAR SESSION OF THE BOARD*

1. Procedural matters

   (a) Election of officers;

   (b) Adoption of the agenda and organization of the work of the session;

   (c) Adoption of the report on credentials;

   (d) Provisional agenda for the second part of the thirty-ninth regular session of the Board

2. Follow-up to the recommendations adopted by the Conference at its eighth session

3. International implications of macroeconomic policies and issues concerning interdependence: the recent evolution of development problems and prospects

4. Paths to development: performance, problems and reform of public enterprises

5. Sustainable development including UNCTAD's contribution to the implementation of UNCED's conclusions and recommendations

6. Trade policies, structural adjustment and economic reform: issues relating to national transparent mechanisms in the context of the fight against protectionism

7. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s

8. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s

9. Report of the Secretary-General on assistance to the Palestinian people in the light of the Cartagena decision

10. Other matters in the field of trade and development

    (a) Export promotion: report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty-fifth session;

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* For the statements made in connection with the approval of the provisional agenda, see part II, paras. 68-73 above.

(b) Progressive development of the law of international trade: twenty-fifth annual report of the United Nations Commission on International Trade Law

(To be completed in the light of developments)

11. Other matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies

— Report of the Special Committee on Preferences on its nineteenth session

(To be completed in the light of developments)

12. Institutional, organizational, administrative and related matters

(a) Treatment of new States members of UNCTAD for purposes of elections;

(b) Membership of the Trade and Development Board;

(c) Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1993;

(d) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

(e) Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board;

(f) Review of the calendar of meetings;

(g) Administrative and financial implications of the actions of the Board

13. Other business

14. Adoption of the report of the Board.

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